

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

June 3, 2005

In Reply Refer To:
Enbridge Pipelines (KPC)
Docket No. RP05-332-000

Enbridge Pipelines (KPC)
1100 Louisiana, Suite 3300
Houston, TX 77002

Attention: Cynthia A. Corcoran
Chief Compliance Officer and Senior Counsel

Reference: Revisions to Discounting Provisions

Ladies and Gentlemen:

1. On May 5, 2005, Enbridge Pipelines (KPC) (Enbridge KPC) filed revised tariff sheets¹ to modify its discounting provisions set forth in section 8 of its General Terms and Conditions (GT&C). Specifically, Enbridge KPC revises section 8.8 to list permissible types of discounts it may offer shippers. They include discounts based on volume contracted for or achieved, seasonal service, receipt and delivery points, paths, price differentials between points, reserve dedications, actual deliveries, and published index prices. Enbridge KPC asserts that its permissible discounts are all types the Commission has previously approved, citing *Gulf South*.² Enbridge KPC adds that no discount will be greater than the maximum tariff rate or less than the minimum tariff rate. Enbridge KPC asserts that delineating permissible discounts in its GT&C will provide more flexibility to respond to the marketplace and shippers' needs without subjecting Enbridge KPC to the administrative burden of having to file all discount agreements as non-conforming for Commission approval.

2. Enbridge KPC also proposes to remove the portability of discount provisions from section 8.8 of its GT&C. The portability of discount provisions generally provide that, if a firm shipper has a discounted rate under Rate Schedule FT or FT-NN at its primary point, and seeks to use a secondary point, it may continue receiving its discount at the

¹ See Appendix.

² *Gulf South Pipeline Co.*, 107 FERC ¶ 61,036 (2004).

secondary point if Enbridge KPC previously granted a discount to a similarly situated shipper at that point. The provisions also specify procedures for shippers seeking discounts at secondary points. Enbridge KPC seeks to remove these provisions in response to the Commission's recent order in *Williston Basin*,³ where the Commission determined that pipelines may delete from their tariffs provisions that permit shippers to retain selective discounts at secondary points.

3. Finally, Enbridge KPC proposes a new form of discount exhibit to attach to all discount agreements. The form of discount exhibit will provide specific discount information for each discount agreement, including rate, term, quantity, and identification of permissible discount type. Enbridge KPC proposes a separate form of discount exhibit for each form of service agreement set forth in its tariff.

4. The Commission noticed Enbridge KPC's filing on May 10, 2005, allowing for protests to be filed as provided by section 154.210 of the Commission's regulations. Pursuant to Rule 214, 18 C.F.R. § 385.214 (2004), all timely filed motions to intervene and any motions to intervene out-of-time filed before the issuance date of this order are granted. Granting late intervention at this stage of the proceeding will not disrupt this proceeding or place additional burdens on existing parties. No party filed comments or a protest.

5. Enbridge KPC's proposed revisions to its discounting provisions conform to the Commission discounting policy. Further, they benefit parties by clarifying Enbridge KPC's current discount provisions, by increasing contracting flexibility, and by reducing Enbridge KPC's administrative burden. Accordingly, we grant waiver of the notice period and accept Enbridge KPC's revised tariff sheets effective May 6, 2005, as proposed.

By direction of the Commission.

Linda Mitry,
Deputy Secretary.

Cc: All Parties

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³ *Williston Basin Interstate Pipeline Co.*, 110 FERC ¶ 61,210 (2005).

Appendix

Enbridge Pipelines (KPC)
First Revised Volume No. 1

Tariff Sheets Accepted Effective May 6, 2005

First Revised Sheet No. 100A
Second Revised Sheet No. 125
Original Sheet No. 125A
Second Revised Sheet No. 302
Original Sheet No. 310B
Original Sheet No. 310C
First Revised Sheet No. 313
Original Sheet No. 322B
Original Sheet No. 322C
Second Revised Sheet No. 324
Original Sheet No. 333B
Original Sheet No. 333C
First Revised Sheet No. 337
Original Sheet No. 343A
Original Sheet No. 343B
Second Revised Sheet No. 346
Original Sheet No. 355B
Original Sheet No. 355C
First Revised Sheet No. 358
Original Sheet No. 366B
Original Sheet No. 366C